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SENATE BILL 1241 By
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HOUSE BILL 1302
By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Section 66-29-113; Section 66-29-115 and Section 66-29-136, relative to the Uniform Disposition of Unclaimed Property Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 66-29-113(e), is amended by deleting from the first sentence thereof the words and figures “Not more than one hundred twenty (120) days” and by substituting instead the words and figures “Not more than one hundred twenty (120) days or less than sixty (60) days”.

SECTION 2. Tennessee Code Annotated, Section 66-29-113(g), is amended by inserting the word “final” immediately after the word “all” and immediately before the word “reports”.

SECTION 3. Tennessee Code Annotated, Section 66-29-113, is amended by adding the following as a new subsection (c) and by redesignating the subsequent subsections accordingly:

(c) Notwithstanding any provision of this part to the contrary, holders shall report to the treasurer the following types of property separately from any other type property reportable under this part:

(1) contents removed from any safe deposit box or any other safekeeping repository or agency or collateral deposit box described in § 66-29-104(4)(B); and

(2) if required by rule and regulation promulgated pursuant to § 66-29-115(d), securities or security entitlements under title 47, chapter 8.

The treasurer may create separate and distinct unclaimed property report forms for the reporting of such property. The report forms shall elicit such information as the treasurer deems appropriate.

SECTION 4. Tennessee Code Annotated, Section 66-29-115(a), is amended by deleting from the first sentence thereof the words “Every person filing a report under” and by substituting instead the words “Except as other provided in this section, every person filing a report under”.

SECTION 5. Tennessee Code Annotated, Section 66-29-115, is amended by adding the following as a new subsection (d) and by redesignating the existing subsections accordingly:

(d) Notwithstanding anything in this section to the contrary, the state treasurer may, by rule and regulation, require that a security or security entitlement under title 47, chapter 8 not be delivered to the state treasurer at the time of filing the report. If the treasurer promulgates such a rule, the state treasurer shall publish the names and last known addresses of the apparent owners of such property pursuant to § 66-29-114 and the holder thereof shall retain the property until claimed by the owner or sold in accordance with this subsection. If the security or security entitlement has not been claimed within the calendar year next following the filing of the report with the state treasurer, the holder shall, as soon thereafter as practical, sell the property in conformity with reasonable commercial practices for the type security involved. The monetary proceeds resulting from any sale conducted pursuant to this subsection, after deducting a

proportionate share of the expense of conducting the sale, shall be delivered to the state treasurer within sixty (60) calendar days of the sale along with an updated report. The updated report shall be in such format as prescribed by the treasurer and shall contain all information provided in the initial report. The report shall further contain the following information for each security or security entitlement described in the initial report:

(1) A statement as to whether the security or security entitlement was returned to the owner or sold; and

(2) The net amount realized from the sale of that security or security entitlement.

An issuer, the holder, and any transfer agent or other person acting pursuant to the instructions of and on behalf of the issuer or holder in accordance with this subsection shall not be liable to the apparent owner and shall be indemnified against claims of any person in accordance with § 66-29-116.

SECTION 6. Tennessee Code Annotated, Section 66-29-136, is amended by deleting the first sentence thereof in its entirety and by substituting instead the following:

Unpaid wages, commissions, expense payments, fees for professional services and other amounts paid for personal services that are includable as gross income under the federal Internal Revenue Code, including any such payments represented by unrepresented items, owing in the ordinary course of the holder's business, which remain unclaimed by the owner for more than one (1) year after becoming payable are presumed abandoned.

SECTION 7. For purposes of rulemaking, the provisions of Sections 1, 3, 4 and 5 of this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, Sections 1, 3, 4 and 5 of this act shall take effect on July 1, 2001 and shall cover all property

reportable after said date, the public welfare requiring it. All other Sections of this act shall take effect upon becoming a law, the public welfare requiring it.